War Committee on 22nd November, 1916, Mr. Runciman pointed out that the urgent need of the moment—so urgent that the feeding of Italy, France and the United Kingdom next summer depended upon it—was sufficient tonnage for the carriage of the Indian and Australian crops.

Then he added the very disquieting sentence : " Free tonnage for this purpose is not in sight.[55] They needed 100 vessels per month during November and during each of the succeeding five months. And yet, he informed us, at the end of four weeks[5] effort, the Transport Department had succeeded in securing less than 30 vessels.

He also added as an explanation for the desperate view he took of things that all his calculations had been drawn " on the assumption that we should not hesitate to kill commerce in order to make ends meet.[55]

He based his estimates on the further assumption that the losses through submarines next year would continue at the rate of *tht first eight months* of 1916. If the import of munitions material were increased, and the losses by enemy action depleted our merchant navy in an increasing degree, our plight would become graver.

As a matter of fact our losses for the *last* four months of 1916 were 632,000 tons gross—more by 32,000 tons than the total losses of the first eight mouths, and the Germans were every week putting more and more of their new

cruising
submarines into the sea.

As I have already related, in 1916 we were building new ships at the rate of 52,000 tons per month, and losing through submarine action twice and three times as many per month. From the way tilings were going, the Allied forces could not be equipped